

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-305-W - ORDER NO. 2002-222
MARCH 26, 2002

IN RE: Application of Duke Energy Corporation and) ORDER ADDRESSING
Duke Water Systems for Approval of the) COMPLIANCE WITH
Transfer of Water and Transmission System.) ORDER NO. 2001-1144

This matter comes before the Public Service Commission of South Carolina on the filing of certain contracts of sale by Duke Energy Corporation and its division, Duke Water Systems ("Duke") related to Duke's sale and transfer of its water collection, treatment, and transmission systems, and associated property to the City of Anderson ("City") and the Anderson County Joint Municipal Water System ("ACJMWS").

On July 10, 2001, Duke filed an Application seeking approval of the sale and transfer of its water collection and transmission systems and all real and personal property used for the collection, treatment, and transmission of potable water, serving retail customers in the City as well as serving certain wholesale customers in Anderson County. By Order No. 2001-1144, dated December 27, 2001, the Commission approved the sale and transfer of Duke's water collection and transmission systems to the City as purchaser of the retail system and ACJMWS as the purchaser of the wholesale system. However, Order No. 2001-1144 further stated that the approval authorized by Order 2001-1144 was contingent upon Duke filing signed contracts of sale between Duke and the City and between Duke and ACJMWS.

On March 13, 2002, Duke filed with the Commission signed contracts of sale between Duke and the City and between Duke and ACJMWS. Specifically, Duke filed the following contracts: (1) Asset Sale Agreement by and between Duke and the City; (2) Asset Purchase Agreement by and between Big Creek Water and Sewerage District, Broadway Water and Sewerage District, Hammond Water Company, Powdersville Water Company, Sandy Springs Water Company, Starr-Iva Water Company, and West Anderson Water Company¹ and Duke; (3) First Amendment to Asset Purchase Agreement between Duke and ACJMWS; (4) Second Amendment to Asset Purchase Agreement between Duke and ACJMWS; and (5) Operating Agreement by and between the City and ACJMWS.

Therefore, upon consideration of the filing of the above-listed contracts, the Commission finds and concludes that Duke has fully complied with the requirements of Order No. 2001-1144, dated December 27, 2001.

IT IS THEREFORE ORDERED THAT:

1. Duke has fully complied with the requirements imposed by Order No. 2001-1144, dated December 27, 2001, in that Duke has filed with the Commission signed contracts of sale between Duke and the City and between Duke and ACJMWS.

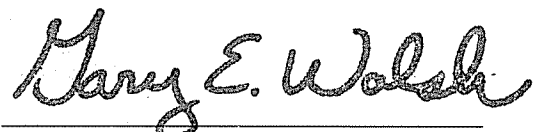
¹ Each of the foregoing entities are members of ACJMWS.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)